

AT A MEETING of the Buildings, Land and Procurement Panel of HAMPSHIRE
COUNTY COUNCIL held at The Castle, Winchester on Tuesday, 27th June,
2017

Chairman:
p. Councillor Mel Kendal

p. Councillor Peter Edgar
a. Councillor Adrian Collett
p. Councillor Keith House

p. Councillor Rhydian Vaughan
p. Councillor Bill Withers Lt Col (Retd)

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Collett.

2. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

3. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 10 January 2017 were agreed as a correct record and signed by the Chairman.

4. DEPUTATIONS

There were no deputations.

5. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed newly appointed members to the Panel.

The Chairman informed Members of the County Council's responses to enquiries from Government and any implications for the Council estate following the devastating fire at Grenfell Tower in London.

The Chairman, and Members of the Panel, expressed their sympathies to the victims and families of the tragic event and congratulated the emergency services for their response.

It was announced that the County Council had recently responded to urgent enquiries from Government Departments in relation to both residential towers and school buildings. Firstly, to confirm that Hampshire had no residential buildings over six storeys and, therefore, no actions was required. Members were aware that the County Council was not a housing authority and, therefore, had no residential properties of the type impacted by the fire in London.

The Chairman noted that the schools estate in Hampshire had a small number of three and four storey buildings but that there were no parallels to the construction and fire safety arrangements at Grenfell Tower. It was reported that the strategy for life safety in schools was to evacuate first and all multi-storey buildings were fitted with modern fire alarms to facilitate this. Members noted that local managers had responsibility for fire evacuation and were encouraged to undertake regular fire safety drills. The Chairman also confirmed that the ongoing re-cladding programmes at schools did not use Aluminium Composite Materials (ACM) which was the subject of much speculation in the media and had initiated the requirement for local authorities to survey residential towers in their ownership.

The Chairman also took the opportunity to remind Members of the comprehensive approach the County Council adopts towards to fire safety in its buildings and noted that:

- The Council understands the risk profiles of our buildings and actively audit our estate on a prioritised basis.
- The Council has a long-standing Partnership with Hampshire Fire and Rescue Service (HFRS) and both organisations jointly fund an Embedded Fire Officer who is co-located in the Property Team.
- The Council provide fire safety guidance to all local managers including schools and proactively support them in fire safety arrangements.
- All projects are independently reviewed by an experienced panel of officers, including representation from HFRS to ensure compliance with Regulations and best practice.
- All projects have a Fire Risk Assessment undertaken to decide whether additional safety measures should be implemented and if sprinklers are recommended for additional asset protection.

The Chairman noted that, notwithstanding the County Council's strong record of managing fire safety, it was recognised that the events in London had served as a reminder of the potential devastating impact of fire in buildings. It was intended that officers would continue to monitor the findings of the Grenfell Tower Enquiry as they became publicly available and would ensure that if there were any actions or implications for the Council, that these would be evaluated and any recommendations for improvement made.

The Chairman was pleased to announce that the new Mill Chase Secondary School building had received planning permission. The school was intended to provide modern, high quality education facilities to support the regeneration of

the town. The Panel heard that the County Council had made a contribution of £10 million towards the £30 million project.

Members welcomed the news that the Bordon Future Skills Centre had recently completed on site. The project was intended to provide 200 full time equivalent places for students learning construction skills and was planned to be managed by Basingstoke College of Technology. The Chairman noted that the role of the County Council had been to design and manage operation of the facility and had contributed £250,000 alongside the main Enterprise M3 LEP funding.

The Chairman was pleased to announce that Property Services had achieved nine winner awards and five commendations throughout 2016/17. Awards that had been received since the last meeting of the Panel were:

- Winchester Cathedral Education Centre had received a Commendation in the National Civic Trust Awards 2017.
- The CEMAST (Centre for Engineering, Manufacturing and Advanced Skills Training) had picked up the Best New Build Non-Residential Award in the 2016 Fareham Society Design Competition.
- The Hampshire Property Team had received an Award for Joint Working from Hampshire Fire and Rescue Service for their role to transform the Eastleigh HQ building into an innovative facility for both our Police and Fire Services.
- Park Community School in Havant was Highly Commended by the Campaign for the Protection of Rural England Awards in the Sustainable Building Category.
- CIVITAS Academy, designed and managed by Hampshire Property Services for Reading Borough Council, was the RICS Regional Award Winner for Regeneration and has gone forward to the National Finals.

6. MAJOR PROGRAMMES UPDATE REPORT

The Panel considered the report of the Director of Culture, Communities and Business Services (Item 6 in the Minute Book) which provided an update on major projects that were being progressed within the department.

Members noted the details contained within the report. In particular, discussion was held regarding the new schools delivery programme and how the County Council was required to follow the Department for Education's (DfE) process and governance for new free school delivery where sponsors had been selected directly by them. The Panel were concerned that the combined effects of a reduction in Government funding and the Government's decision to limit the design of future school buildings to a lower specification would not necessarily result in delivering school buildings to the same existing level of quality across the county. Members were pleased to hear that Property Services (PS) continued to have a positive working relationship with the Education Funding Agency (EFA) and to hear that PS officers were striving to achieve a sensible balance across all influencing factors to produce the best possible results for the new schools delivery programme. In response to Members' question it was clarified that:

- The County Council would not be responsible for maintaining the new school buildings once constructed.

- That the minimum environmental requirements for new school facilities, as stipulated by the DfE, were that standard Building Regulations were met.
- That the planning application for new schools would be brought before the relevant local planning authority and that the application would be from the County Council as the agents of the DfE.

RESOLVED:

That the Buildings, Land and Procurement Panel recommends to the Executive Member for Policy and Resources that:

a) Progress of each of the programmes is noted.

7. **PROPERTY SERVICES BUSINESS REVIEW 2016/17**

The Panel considered the annual report of the Director of Culture, Communities and Business Services which provided an overview of Property Services' financial outturn position for 2016/17 (Item 7 in the Minute Book).

Members heard that throughout 2016/17, Property Services had continued to deliver significant programmes of work in line with the Business Plan 2015 to 2020. Notably, work had included:

- Ongoing delivery of the Children's Services capital programme to provide both primary and secondary school places
- Ongoing delivery of significant maintenance programmes for both schools and corporate buildings
- Successful renewal of the Property Services Service Level Agreement for schools continuing the delivery of the comprehensive service to 96% of schools in the County
- Design and procurement work as part of the Adult Services transformation strategy
- Progress on the Strategic Land programme including allocation of the Manydown site in the Basingstoke and Deane local plan
- The launch of the new temporary and modular building framework for public sector organisations across the South of England

The Panel noted that Property Services income for 2016/17 had been £29.6million and that £20.1million of this had been from County Council projects and £9.5million had been from external clients.

It was reported that the strategic partner working arrangement established in 2014 continued to ensure flexibility and capacity of resources. Members heard that the Service would continue to recruit where the longer term work forecast identified this need.

RESOLVED:

- a) That the Panel notes the successful outturn for Property Services in 2016/17.

8. SOUTHERN RESPITE SERVICE, LOCKS HEATH

The Panel considered the report of the Director of Culture, Communities and Business Services reviewing project proposals for the provision of a new permanent Respite Care facility for Adults with Learning and Physical Difficulties in Locks Heath (Item 8 in the Minute Book.)

Members were informed of the specific aspects of the project proposals including the financial provision, details of the site and existing infrastructure, external works, car parking and consultations. A plan of the site was also appended to the main report.

RESOLVED:

That the Buildings, Land and Procurement Panel make the following recommendations to the Executive Member for Policy and Resources:

- a) That the Executive Member for Policy and Resources gives approval to the project proposals for the Southern Respite Unit, Locks Heath, at an estimated total cost of £3,695,000.
- b) That the Executive Member for Policy and Resources grants procurement and spend approval for contracting activity associated with the project, including letting of advance enabling works contract for the highways access, as outlined in Section 3.2 of this report.

9. ENERGY AND CARBON MANAGEMENT PROGRAMME UPDATE

The Panel considered the report of the Director of Culture, Communities and Business Services providing an update on progress so far with a series of Energy Programmes (Item 9 in the Minute Book).

Members were pleased to hear that the County Council was on track to exceed its Phase 2 savings targets of 40% carbon reduction by 2025. It was reported that Property Services was due to host a conference for public sector organisations to raise the profile of Electric Vehicles and offer the opportunity to meet professionals from the industry on 3 July 2017. As part of the discussion on Electric Vehicles, the Panel noted the potential for income generation as a result of developing a framework of EV charging points across the county.

RESOLVED:

That the Buildings Land and Procurement Panel recommends to the Executive Member Policy and Resources that:

- a) Good progress on the Carbon Management Plan Phases 1/ 2 and the Energy Performance Programmes Phases 1-3 delivering estimated cost savings of £29.9m is noted.
- b) That £80,000 of resources from the Cost of Change fund is used to provide the necessary professional resources in Property Services to develop feasibility studies, designs and procurement strategies for Phases 4 and 5 of the Energy Programmes.
- c) That £2.72m of resources is committed from the Policy and Resources Energy Budget to deliver:

- A further major programme of LED replacement lighting in the corporate estate
- Installation of a network of Electrical Vehicle charging points
- Conversion of the small vehicle service fleet and staff pool cars from diesel to electric on a phased basis
- A programme of Local and Bulk Battery Storage subject to a positive business case and viable Return on Investment

The above is currently estimated to deliver an annual saving of at least £450,000 per year on a recurring basis.

- d) Approval be given to the procurement and spend in relation to the Energy Programmes in this report.
- e) The Director of CCBS be given delegated authority to commit resources and let contracts for Phases 4 and 5 Energy Programmes in consultation with the Executive Member Economic Development.
- f) The economic, social and reputational benefits of continuing to take a lead in design and delivery of innovative energy programmes is noted.

10. **CORPORATE PROCUREMENT AND COUNTY SUPPLIES CONTRACTING ACTIVITY AND APPROVALS FOR 2016/17**

The Panel considered the report from the Director of Culture, Communities and Business Services regarding procurement, amendments and extensions to contracts over £1million in value (Item 9 in the Minute Book).

An Appendix was attached to the report which detailed the projects which were seeking endorsement from the Panel.

RESOLVED:

That the Buildings, Land and Procurement Panel make the following recommendations to the Executive Member for Policy and Resources:

- a) That procurement and spend approvals, as appropriate, be given for the contracts as detailed in Appendix 1.

11. **BUSINESS SERVICES GROUP - 2016/17 ANNUAL REPORT AND ACCOUNTS**

The Panel considered the report of the Director of Culture, Communities and Business Services providing a summary of the financial performance of the self-funding business units namely County Supplies (CS), Hampshire Transport Management (HTM) and Hampshire Catering Services (HC3S) (Item 10 in the Minute Book).

An annual surplus of £837,000 was reported which had been generated across the Group and was higher than the forecast surplus.

In particular, CS had experienced its highest annual turnover in 2016/17, of £9.68million. The service continued to conduct high level analysis of schools' spend to ensure that its pricing structure was in line with that of key competitors in the market. Members were pleased to hear that, as part of the CS loyalty scheme, a total of £550,000 had been paid back to schools customers over the previous five years and proposed that this be included as an additional recommendation for the Executive Member for Economic Development to note.

HTM overachieved on its surplus target by £244,000 and had recently been awarded the contract for the supply and maintenance of a vehicle fleet of approximately 130 Light Commercial Vehicles, Heavy Goods Vehicles and dedicated gritters to Skanska UK for delivery of the Hampshire Highways Services Contract.

HC3S continued its success in the provision of primary school meals (including Universal Infant Free School Meals) and providing services to secondary schools and other County Council sites. Specifically, it was reported that in 2016/17 a total of just over 11.5 million meals were served in primary schools which was a take-up of 59.9% exceeding the target of 59.6%.

RESOLVED:

That the Buildings, Land and Procurement Panel recommends to the Executive Member for Economic Development that he:

- a) Approves the 2016/17 annual report and accounts for the Business Services Group.
- b) Notes that, in reference to section 4.16 of the report, a total of £550,000 in loyalty discount benefits had been made to schools over the previous five years.

12. **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED:

The public were excluded from the meeting during the following item of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item there would have been disclosure to them of exempt information within Paragraph 3 of Part I Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, for the reasons set out in the report.

13. **BUSINESS SERVICES GROUP - BUSINESS PLANS 2017-18**

The Panel considered the report of the Director of Culture, Communities and Business Services regarding the 2016/17 Business Plans for the Business Services Group. (Item 12 in the Minute Book.)

An update was provided on the performance of each of the three Units from 2016/17 and forecasts were given for 2017/18. Members heard that the targeted surplus across the business units for the next five years was £1.65 million and that preparing the units for future trading challenges, the implications of the Transformation to 2019 programme and the strategy to increase and diversify the customer base were key areas of focus for the units.

RESOLVED:

That the Buildings, Land and Procurement Panel recommends to Executive Member for Economic Development that he:

- a) Approves the 2017/18 business plans for the Business Services Group.
- b) Notes the planned application of funds in the accumulated surpluses of the Business Services Group as set out in paragraphs 3.6 and 3.7.
- c) Notes the provision of up to £2 million annually, as set aside in the County Council's Capital Programme, for the purchase of new and replacement vehicles by HTM.